

## Message Text

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PAGE 01 COLOMB 01050 231054Z  
ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03  
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03  
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04  
CEA-01 AGRE-00 OES-06 DODE-00 PM-04 H-01 L-03  
PA-01 PRS-01 /094 W  
-----231947Z 052999 /45

R 230910Z MAR 77  
FM AMEMBASSY COLOMBO  
TO SECSTATE WASHDC 6971  
INFO AMEMBASSY TRIPOLI  
AMEMBASSY NEW DELHI

LIMITED OFFICIAL USE COLOMBO 1050

E.O. 11652: N/A  
TAGS: ECON, PFOR, CE, LY

SUBJ: CONFUSION OVER AMOUNT OF ADVANCE PAYMENT UNDER SRI  
LANKA-LIBYA ECONOMIC COOPERATION AGREEMENT

REF: (A) COLOMBO 1014 (NOTAL); (B) COLOMBO 1036 (NOTAL)

1. ALTHOUGH PRESS REPORTS INITIALLY STATED THAT ADVANCE  
PAYMENT FOR LIBYAN TEA PURCHASES OVER NEXT FOUR YEARS WOULD  
AMOUNT OF \$105 MILLION (REFTEL A), MARCH 23 DAILY NEWS STATED  
ADVANCE WILL ONLY BE \$15 MILLION, PLUS ADDITIONAL \$5 MILLION  
FOR LIBYAN CONTRIBUTION TO FISHERIES AND LIVESTOCK PROJECTS.

2. FOLLOWING ORIGINAL PRESS REPORTS, EMBOFF DISCUSSED AGREE-  
MENT WITH OFFICIAL OF MINISTRY OF DEFENCE AND FOREIGN AFFAIRS  
WHO SAID VALUE OF TOTAL TRADE UNDER AGREEMENT COULD REACH \$120  
MILLION BUT WAS UNABLE TO CONFIRM AMOUNT OF ADVANCE PAYMENT.  
ON MARCH 23, FINANCE MINISTRY SECRETARY LAL JAYAWARDENA, WHO  
PARTICIPATED IN NEGOTIATIONS WITH LIBYANS, TOLD EMBOFF THAT  
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ADVANCE WAS ACTUALLY \$15 MILLION WHICH WOULD BE DEPOSITED IN  
CENTRAL BANK BEFORE NEXT TEA AUCTION ON MARCH 29.

3. COMMENT. WHILE \$15 MILLION WILL ADD ABOUT 10 PER CENT TO  
SRI LANKA'S GROSS EXTENAL ASSETS, WHICH WILL BE HELPFUL IN  
FINANCING INCREASED IMPORTS OF CONSUMER GOODS, SCALE OF LIBYAN  
ASSISTANCE APPARENTLY NOT AS GREAT AS ORIGINALLY THOUGHT. AT

CURRENT EXPORT PRICES, \$15 MILLION REPRESENTS ABOUT 5,000 METRIC TONS OF TEA OR HALF AMOUNT OF TEA LIBYA HAS AGREED TO BUY EACH YEAR FOR NEXT FOUR YEARS. IT THUS APPEARS THAT FINANCE MINISTER HAS NOT MORTGAGED FOUR YEARS' WORTH OF SRI LANKA'S TEA EXPORTS TO LIBYA TO FINANCE RE-ELECTION PROGRAM.

4. ACTION REQUESTED: EMBASSY WOULD APPRECIATE ANY COMMENTS ON AGREEMENT, PARTICULARLY WITH REGARD TO ADVANCE PAYMENT, TRIPOLI WOULD CARE TO PROVIDE.  
REED

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC COOPERATION, ECONOMIC ASSISTANCE, FINANCIAL CONTRIBUTIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977COLOMB01050  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Litigation History:**  
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**Office:** ACTION NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 COLOMBO 1014, 77 COLOMBO 1036  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
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**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
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**Review Withdrawn Fields:** n/a  
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**Subject:** CONFUSION OVER AMOUNT OF ADVANCE PAYMENT UNDER SRI LANKA-LIBYA ECONOMIC COOPERATION AGREEMENT  
**TAGS:** ECON, PFOR, CE, LY  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009